

Background: In April 2011, Washington State was one of 15 states that received a planning grant from the federal government's Centers for Medicare and Medicaid Services (CMS). The grant monies were made available for developing a design plan that would lead to innovative ways to integrate care for individuals who receive services from both Medicare and Medicaid. The proposed design plan for integrating care was submitted to CMS on April 26, 2012.

The proposal is the result of many months of discussion and engagement with individuals who receive, provide, advocate for and administer services under the Medicare and Medicaid programs. It outlines a three-pronged strategic approach for realigning and integrating their care.

The three strategies are:

1. Health Homes, a managed fee for service financial model.
2. Full Capitation through Health Plans, with three-way contracts between the health plans, the state and CMS.
3. A modernized and consolidated service that has shared outcomes and aligned incentives.

Implementation of Full Capitation through health plans - Strategy 2: A number of factors dictate the timelines and milestones that must occur to implement this strategy:

- In the enacted operating budget passed by the 2012 legislature, HCA and DSHS were given the authority to implement strategy 2 if: 1) funded by CMS; and 2) the county legislative authority agrees to the terms and conditions under which the project will operate.
- CMS is requiring that counties where strategy 2 will be implemented be identified prior to the signing of a Memorandum of Understanding (MOU) between CMS and the State (scheduled for September, 2012).
- Enrollment in the plan would need to begin in October 2013.
- Procurement and readiness review must take place prior to enrollment to ensure health plans are capable and ready to provide high quality services under both Medicare and Medicaid.

Proposed Process to Engage Counties:

To implement the full capitation model through health plans, the state envisions a purchasing partnership between the federal, state and local governments. The following milestones and target dates will ensure full county engagement in the implementation of this strategy:

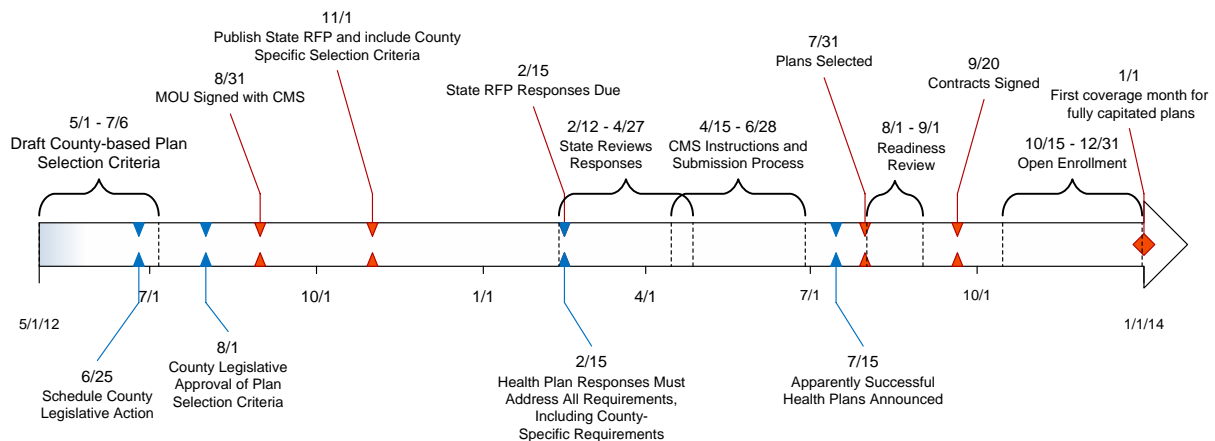
- By June 15th counties that are interested and willing to commit the time and effort necessary to negotiate county based selection criteria should declare their interest. The state will work with individual counties and the Washington Association of Counties to determine which counties are interested.
- Now-July 2012, the state will work with county governments to identify county terms for inclusion in the formal procurement requirements. Health plans that submit a bid will be required to adequately address implementation of the county terms.
- By August 1, 2012 county legislative authorities will need to submit a written declaration of intent to proceed based upon identified county terms that will be incorporated into the formal procurement requirements.

Proposed Implementation Timeline and Approach to County Legislative Approval

Next Steps:

Review of the timeline, milestones and county engagement approach by Association of Counties and individual counties. Request that counties notify the Association of Counties if they are interested in working with the state to implement strategy 2 no later than June 15, 2012.

Proposed Strategy 2 Implementation Timeline



Enacted Budget Proviso Language:

(b) Effective January 1, 2013, if WA has been selected to participate in phase two of the federal demonstration project for persons dually-eligible for both medicare and medicaid, the department and the authority may initiate the MICP. Participation in the project shall be limited to persons who are eligible for both medicare and medicaid and to counties in which the county legislative authority has agreed to the terms and conditions under which it will operate. The purpose of the project shall be to demonstrate and evaluate ways to improve care while reducing state expenditures for persons enrolled both in medicare and medicaid. To that end, prior to initiating the project, the department and the authority shall assure that state expenditures shall be no greater on either a per person or total basis than the state would otherwise incur. Individuals who are solely eligible for medicaid may also participate if their participation is agreed to by the health care authority, the department, and the county legislative authority.